



**Comptroller General  
of the United States**

**Washington, D.C. 20548**

# **Decision**

**Matter of:** B & G Enterprises, Inc.

**File:** B-240913

**Date:** September 4, 1990

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Dayasingh Gomer for the protester.  
David Ashen, Esq., Office of the General Counsel, GAO,  
participated in the preparation of the decision.

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## **DIGEST**

1. Submission and acceptance of a below-cost bid is not legally objectionable.
2. Protest alleging that bid is unbalanced is dismissed for failure to state a valid basis of protest where the protester fails to establish likelihood that the bid in fact is mathematically and materially unbalanced.

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## **DECISION**

B & G Enterprises, Inc. protests the Department of the Air Force's award of a contract to CALWEST, under invitation for bids (IFB) No. F04607-90-B0009, for refuse collection at Norton Air Force Base in California. B & G alleges that CALWEST's bid should have been rejected because it is below-cost and unbalanced.

We dismiss the protest.

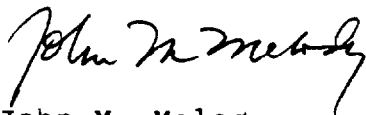
The IFB called for bids for a base year and 3 option years. CALWEST submitted the apparent low total bid of \$1,045,760, including prices of \$271,740 for each of the first 2 years and \$251,140 for each of the last 2 years; B & G submitted the next low total bid of \$1,199,280, averaging \$299,820 per year and amounting to \$153,520 more than CALWEST's bid. B & G argues that CALWEST's prices are below cost and that the prices for the first 2 years are "materially unbalanced" when compared with its prices for the last 2 years.

B & G has failed to state a valid basis for protest. First, submission and acceptance of a below-cost bid is not

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legally objectionable. Northwest Cleaning Serv., B-234780, May 31, 1989, 89-1 CPD ¶ 523. Further, a bid is materially unbalanced only where the bid is mathematically unbalanced and there is a reasonable doubt that acceptance of the bid will result in the lowest overall cost to the government; such a bid cannot be accepted. OMSERV Corp., B-237691, Mar. 13, 1990, 90-1 CPD ¶ 271. Except where a bid contains extreme front-loading, our analysis of whether bids are materially unbalanced between base and option years has hinged upon whether the agency reasonably anticipates exercise of the option. Western States Management Servs., Inc., B-235956.2, Dec. 7, 1989, 89-2 CPD ¶ 524. CALWEST's bid is not extremely front-loaded, and B & G has neither argued that the price bid for the first 2 years was not reasonably related to the costs to be incurred by CALWEST, see Raeuber Constructors Co., Inc., B-236364, Nov. 3, 1989, 89-2 CPD ¶ 420, nor questioned the likelihood that the options will be exercised. The fact that CALWEST bid different prices for the initial and subsequent contract years does not itself raise a reasonable doubt that acceptance of the bid will result in the lowest ultimate cost to the government.

Our Bid Protest Regulations contemplate that protesters will provide, at a minimum, either allegations or evidence sufficient, if uncontradicted, to establish the likelihood of the protester's claim of improper agency action. Professional Medical Prods., Inc., B-231743, July 1, 1988, 88-2 CPD ¶ 2. As B & G has failed to establish a likelihood that CALWEST's bid is materially unbalanced or otherwise unacceptable, the protest is dismissed for failure to state a valid basis for protest.

  
John M. Melody  
Assistant General Counsel